

Department of Planning and Budget
2003 Fiscal Impact Statement

1. Bill Number SB1050

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hanger

3. Committee Education and Health

4. Title Smaller school divisions; adjusted state share.

5. Summary/Purpose: This bill creates a mechanism whereby any school board of a school division in which fewer than 350 students (Highland County) were included in an averaged daily membership for the preceding school year, upon entering into certain cost-sharing agreements with a contiguous school division for the consolidation or sharing of educational, administrative, or support services, shall receive the state share for basic aid computed on the basis of the composite index of local ability-to-pay of the contiguous school division, calculated annually, for a period of 15 years.

6. Fiscal Impact (See Comments 8.)

7. Budget amendment necessary:

8. Fiscal implications: The fiscal impact to the state would be \$300,827 in FY2004 and costs in the out years will depend upon re-basing of SOQ and changes to the composite index.

This impact assumes that the provisions of this bill would affect Highland County, which is a division with 350 students or fewer in an averaged daily membership. Assuming that Highland County entered into a cost-sharing agreement with a contiguous division like Augusta County (whose composite index is .3532), then Highland County would receive a basic aid entitlement using Augusta County's composite index. Such an agreement would result in additional state costs of \$300,827 in FY2004. It is assumed that the provisions of the bill would not change the local match requirement for the division of 350 students or less based on the small school division's composite index.

9. Specific agency or political subdivisions affected: Highland County, Department of Education

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/22/03/acd

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cc:SecretaryofEducation